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## Turkey

## Grain and Feed

## Wheat Update

## 2003

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### Report Highlights:

**Turkish MY 2003 wheat crop is now estimated slightly lower than earlier predictions. Parallel to this, import estimates have been revised upward assuming Turkey will export more flour. TMO procured negligible quantities of grains, even though it increased procurement prices slightly for July and August.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Unscheduled Report  
Ankara [TU1], TU

Although Turkey's wheat harvest is completed in most major growing areas, the government has not yet announced official results or information concerning the quality of the crop. In general, grain specialists believe that the crop is no worse than last year.

Turkey completed most of its wheat harvest in July. According to unofficial reports, the Aegean Region had the lowest yields, in some cases less than half the normal yields in some areas. In Central Anatolia, Kayseri and Yozgat provinces also had half their normal yields. The reduction in the yields were due to the hot and dry weather during most of May and June in these areas. The highest yields were recorded in Thrace and some parts of Konya and North-central Anatolia Region especially around Polatli because these areas continued to receive rains during the same period. The highest quality wheat was harvested from Polatli District and surrounding areas. Farmers awareness and participation to spray against Sunni bug had a positive impact on crop quality. Parts of Cukurova suffered from rains during the harvest in June. Other growing regions received yields near normal levels.

There is a general consensus that Turkey has sufficient quantity and normal quality of wheat for its domestic needs in MY 2003 (June 2003 - May 2004). Turkey will not need to import any wheat as long as it does not export flour. However, there are indications that wheat supplies in Europe and Central Asia may be tight which may support higher flour prices. If Turkish flour exports increase significantly, Turkey will need to import some high quality milling wheat. Production for MY 2003 was revised slightly downward due to hot and dry weather in June in especially East-central and parts of South-central Anatolia.

Sources indicate that Turkey will consider importing wheat duty free from the EU countries under a 200,000 MT import quota. Due to the limited production in the EU, Turkey may look to other major suppliers including the United States. For the first time in three years, US wheat was bought by Turkey for re-export as flour or wheat products. Given shortage in the market there may be more opportunities for sales of U.S. wheat to Turkey.

The Turkish Grain Board (TMO) is expected to be responsible for wheat imports, but millers are hoping that they will be able to import some wheat directly.

TMO announced procurement prices for grains early in June (TU3014). TMO subsequently announced new procurement prices for the entire year because it was unable to procure any grains.

Table: TMO Grain Procurement Prices in MY 2003/04

<b>Grains</b>	<b>Base Price (TL/Kg.)</b>	<b>July Price (TL/Kg.)</b>	<b>August Price (TL/Kg.)</b>
<b>Durum Wheat</b>			
Anatolian	367,000	387,000	392,000
Other	345,000	360,000	360,000
<b>Milling Wheat</b>			
Anatol. Hard White	325,000	350,000	360,000
Anatolian Hard Red	325,000	350,000	360,000
Semi Hard Red	310,000	330,000	335,000
Semi Hard White	310,000	330,000	335,000
Others (Red-White)	275,000	300,000	305,000
<b>Barley</b>			
White	215,000	235,000	235,000
Black and Blue	200,000	215,000	215,000
<b>Oats</b>	250,000	250,000	250,000
<b>Rye</b>	225,000	225,000	225,000
<b>Corn</b>	310,000	310,000	310,000

Source: The Turkish Grain Board (TMO), The Ministry of Agriculture and Rural Affairs

There are small quantities of surprisingly high quality wheat, with protein levels as high as 17 percent and hectoliter weight 88 grams, with humidity as low 8 percent. At the Polatli and Konya Commodity Exchanges milling wheat with 13 percent protein is currently being sold around TL 400,000 per kilogram. Smaller quantities of wheat with 16 percent protein is being sold around TL 425,000 per kilogram. This is nearly equal to about USD 300 per MT (USD 1.00 is currently around TL 1,420,000). Farmers have been selling only small quantities of wheat for their immediate cash needs and holding most crops in storage with an expectation of better prices. TMO's procurement was mostly completed and only negligible quantities of grains were procured so far in MY 2003.

Exports and imports both in MY 2001 and MY 2002 all were revised according to the revised official trade data. However, export and import data in MY 2002 are for only eleven months (June 2002 - April 2003).

## Statistical Tables

**PSD Table for Wheat**

PSD Table						
Country	Turkey					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		06/2001		06/2002		06/2003
Area Harvested	8500	8500	8550	8550	8600	8600
Beginning Stocks	1745	1728	1011	855	1236	1280
Production	15500	15500	17000	16800	17500	17200
TOTAL Mkt. Yr. Imports	1020	840	900	1049	600	800
Jul-Jun Imports	1088	961	900	1049	600	800
Jul-Jun Import U.S.	0	20	0	20	0	100
TOTAL SUPPLY	18265	18068	18911	18704	19336	19280
TOTAL Mkt. Yr. Exports	753	713	675	574	750	1000
Jul-Jun Exports	558	524	700	574	800	1000
Feed Dom. Consumption	1100	1100	1000	1200	1000	1100
TOTAL Dom. Consumption	16501	16500	17000	16850	17000	17000
Ending Stocks	1011	855	1236	1280	1586	1280
TOTAL DISTRIBUTION	18265	18068	18911	18704	19336	19280

**Export Trade Matrix for Wheat**

Export Trade Matrix			
Country	Turkey		
Commodity	Wheat		
Time period	June - May	Units:	Metric Tons
Exports for:	2001	June - April	2002
U.S.	2	U.S.	4
Others		Others	
Egypt	131250	Portugal	16500
Italy	130601	Germany	10708
Algeria	57252	Algeria	6000
Kenya	26100	Georgia	156
Portugal	25720	Azerbaijan	140
Hadramaut	21000	Saudi Arabia	111
Tunisia	20402	Netherlands	42
Morocco	20077	Northern Cyprus	34
Cuba	13300	Tajikistan	20
Israel	11652	Hungary	17
Total for Others	457354		33728
Others not Listed	26025		105
Grand Total	483381		33837

**Import Trade Matrix for Wheat**

Import Trade Matrix			
Country	Turkey		
Commodity	Wheat		
Time period	June - May	Units:	Metric Tons
Imports for:	2001	June - April	2002
U.S.		U.S.	19930
Others		Others	
Russia	243127	Russia	529266
Germany	232597	Kazakistan	313959
Kazakistan	79642	Germany	81498
Romania	63398	Ukraine	32533
Argentina	56378	Hungary	20662
Australia	30239	Argentina	12240
Croatia	23800	Bulgaria	8474
Hungry	23717	Romania	7516
Lithuania	20520	Lithuania	3881
Canada	18708	Australia	2645
Total for Others	792126		1012674
Others not Listed	47432		16760
Grand Total	839558		1049364